

Michigan Energy Efficiency Contractor's Coalition

Response to Energy Efficiency Question

1. What are Michigan's current Energy Optimization standards, and what was the timeline for compliance? What is the compliance history?

Michigan Public Act 295 set forth a series of energy efficiency rating standards (EERS). These EERS required Michigan regulated utility companies to save a prescribed percentage of energy savings in a given year based on the previous year's retail sales loads.

See the Michigan Public Service Commission's 2012 *Report on the Implementation of P.A. 295 Utility Energy Optimization Programs* issued on November 30, 2012 for a detailed explanation of the Michigan's EERS.

Figure 2, on page 6 of this report provides the retail sales-multiplier for electric savings as required by P.A. 295. Utilities applied this multiplier to their previous year's retail sales loads to then calculate current year's savings goals. Electric savings to be achieved started at a 0.30% level for 2009. Then ramped up to 0.50% and then 0.75% for 2010 and 2011. Then electric savings levels were to hold at 0.1% for 2012 and beyond.

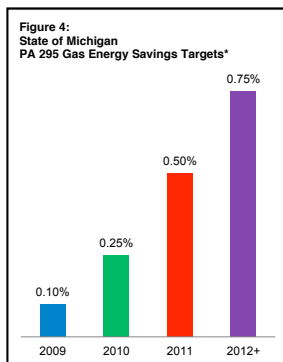
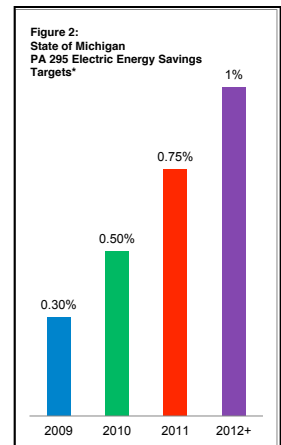


Figure 4, on page 7 provides the natural gas retail sales-multiplier for natural gas savings as required by P.A. 295. Natural gas savings to be achieved started at a 0.10% level for 2009. Then ramped up to 0.25% and 0.50% for 2010 and 2011. The natural gas savings levels were to hold at 0.75% for 2012 and beyond.

According to the MPSC in their three annual reports on Michigan's Utility Energy Optimization Programs, savings achieved for all three years of activity under P.A. 295 has exceeded those required by the EERS. Aggregating all utility types (investor owned, municipal and cooperative) the MPSC reports the following history of compliance of savings:

YEAR	ELECTRIC	NATURAL GAS
2011	125%	135%
2010	148%	143%
2009	129%	129%

Chart 1: Percentage of savings achieved based on target.